

Best Practices for Affiliated Parish Organizations

With permission of the pastor, a parish may form an affiliated parish organization such as a Rosary Society or Holy Name Society. All affiliated parish organizations (APO), societies, ministries and clubs are fiscally responsible to the pastor. Assets of any such an association are the property of the parish.

- Parish organizations may have their own checking accounts at the **discretion of the pastor**. All affiliated organizations' funds should be kept solely in a checking account.
- Each and every account shall have the pastor's signature as one of the authorized signatures along with no more than 2 officers.
- All bank accounts shall bear the name and federal identification number of the parish.
- The pastor should receive and review the bank statements **with check images**; the accompanying diocesan formatted financial report; other software generated financial statements if any, at least quarterly.
- All bank statements must use the parish address and be retained and reviewed by the parish bookkeeper.
- Every expenditure must be supported by an invoice or receipt for the expense or purchase.
- A minimum cash balance should be kept by all APO's.
- The organizations' bylaws should state a maximum amount of cash that may be kept as an operating fund.
- At the end of each year, the APO's bank balance should be reduced to an amount equal to one month's operating expense. Excess funds should be donated to the parish.
- All donations from the affiliated organization to the parish should be in the form of cash by check. This ensures that the parish will be able to properly record revenue inflow.
- **No payments should be made by the affiliated organization for any goods or services intended as a donation for the parish.** This ensures the parish will be able to properly record expense or capital asset purchases; and that donors' contributions will be honored as charitable deductions by the Internal Revenue Service.
- Whenever an affiliated organization must pay an individual for services rendered, **a check should be issued to the parish**, and the parish will issue a check to the individual. This will allow the parish to consider the payment for 1099 reporting.
- Affiliated organizations should follow the same procedures for processing cash receipts as the parish does.
- All parish organizations must submit the standard diocesan formatted APO financial report (see page 2), bank statements with check images, and bank reconciliations to the parish on a quarterly basis.
- The parish is required to submit a copy of the signed APO quarterly report (pages 1 & 2) to the Diocese with their quarterly financial package.
- See the [diocesan website](#) for the current approved format for affiliated parish organizations' reporting. Software generated financial statements and bank reconciliations may supplement the diocesan report.

Read & reviewed by: _____

Title of reviewer: _____

Date reviewed _____

	Diocese of Charleston		
	Affiliated Parish Organization (APO) Financial Report	Date:	
	Parish:	APO:	
	<i>For the quarter ending:</i>		
	Income from:	Current Qtr	Year to Date
1	Beginning cash balance (all accounts)		
2	Member dues/activity receipts		
3	Fund raising receipts		
4	Donations to APO		
5	Other income (refunds, rebates)		
6	Total Cash Available		
	Expenditures for:		
7	Members' socials/meetings (include supplies for APO use)		
8	Fund raising purchases/rentals		
9	Funds transferred to Parish for disbursement to contractors		
10	Funds donated to Parish/School as gift for general use		
11	Funds donated to Parish/School as gift for specific use (list by amount and intent below)		
12			
13	Total Cash Expenditures		
14	Ending Cash Balance		
	Breakdown of Ending Cash Balance		
15	Checking per bank statement at end of quarter		
16	Other, Specify:		
17	Less: Outstanding checks		
18	Add: Outstanding deposits		
19	Total of All Accounts		
	Donated by APO to Parish/School and specified for:	\$ Amount	Check #
20			
21			
22			
23			
24			
25			
26	Total Parish Related Expenditures		
27			
	Name and Signature of Treasurer (Officer)		Date
27			
	Name and Signature of Pastor		Date